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In the Supreme Court of the United States

OCTOBER TERM, 1958

No. 339

JEROME S. SPEVACK, PETITIONER

v.

LEWIS L. STRAUSS, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENTS

OPINIONS BELOW

The opinion of the United States Court of Appeals for the District of Columbia Circuit, dated June 9, 1958 (Pet. Br. App. 14a–16a)[1] is reported at 257 F. 2d 208.

[1] The parts of the record printed in the appendix to petitioner's brief are cited "Pet. Br. App. ———", those in respondents' appendix "Resp. Br. App. ———". The petition for a writ of certiorari in No. 339 is cited "Pet. ———". Material in the Court's record in No. 641, October Term 1957, is cited "R. ———". R. 1–71, 114–120, are available in printed form in the impounded joint appendix to petitioner's brief in the Court of Appeals and in the impounded supplemental appendix to petitioner's petition for rehearing in that court, nine copies of each of which were filed in this Court.

As explained in the stipulation dated December 4, 1958, this

Earlier opinions rendered in this litigation (Pet. Br. App. 9a–11a; Resp. Br. App. 65) are reported at 248 F. 2d 752 and 355 U.S. 601.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958 (Pet. Br. App. 16a). Petitioner's "suggestion" that the Court of Appeals *sua sponte* vacate its opinion, filed on June 11, 1958, was denied on June 24, 1958 (Resp. Br. App. 66–67). The petition for a writ of certiorari, filed on September 6, 1958, was granted on October 27, 1958 (Resp. Br. App. 68). The jurisdiction of the Court rests upon 28 U.S.C. 1254(1).

QUESTIONS PRESENTED

1. Whether, under petitioner's arrangements and dealings with the Atomic Energy Commission, the Commission has the right to disclose petitioner's alleged invention in the course of its publication of information on the operations and structure of Commission-owned plants.

2. Assuming that petitioner has not authorized such publication by the Commission, whether he is nevertheless entitled, in the circumstances of this case, to the relief of an injunction against publication.[2]

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presentation has been agreed upon as a suitable method of making material available without violating impounding orders of this Court and of the courts below. In granting certiorari, this Court permitted use of the record in No. 641, October Term 1957 (Resp. Br. App. 68).

[2] An additional question previously posed by respondents, and argued in petitioner's brief (Pet. Br. 10–12, 40–47), is whether this case was mooted by the dissemination of the technical manuals and reports of respondents' plants before the suit was insti-

CONVENTION AND STATUTES INVOLVED

The pertinent provisions of the Convention for the Protection of Industrial Property of June 2, 1934, 53 Stat. 1768, of the Atomic Energy Act of 1954, 68 Stat. 919, 42 U.S.C. (Supp. V) 2011, *et seq.*, of Title 35 of the United States Code (Patents), and of the Tucker Act, 28 U.S.C. 1491, are set forth in Appendix A, *infra*, pp. 52 ..a.

STATEMENT

1. *The factual background.*—While the trial court proceedings did not progress beyond a denial of a preliminary injunction, the controlling facts are established by pleadings, affidavits, uncontroverted statements, and concessions of the parties.

(*a*) From 1943 to 1946, petitioner was employed by a contractor of the Manhattan Engineering District, the predecessor to the Atomic Energy Commission. During this period, he invented a dual temperature exchange process for the production of heavy water.[3] In 1945, a patent application was filed by

tuted. The issue of mootness was decided by the district court and urged by respondents in No. 641, October Term 1957, Brief in Opposition, pp. 2, 12–13. We do not reargue this question at this time for it now appears to us that, in remanding for amendment of the complaint in No. 641, this Court rejected a finding of mootness on the present record.

[3] Heavy water is used as a moderator in atomic reactors. As such, it plays an important role in the production of special nuclear materials (see, *e.g.*, Smyth, *A General Account of the Development of Methods of Using Atomic Energy for Military Purposes Under the Auspices of the United States Government, 1940–1945*, pp. 22–23, 47–48, 122–123 (1945)) and in the development of reactors for the generation of electric power (*Power Reactor Technology*, Technical Progress Reviews, September 1958, Vol. 1, No. 4, pp. 59–63; Atomic Energy Commission, *Atomic Energy Facts*, pp. 91, 131–138 (1957)).

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government counsel on this process and, after allowance, was held in abeyance because of security requirements. The patent was issued to the Atomic Energy Commission as petitioner's assignee on April 2, 1957, after the secrecy order had been rescinded (R. 2, 46–47).[4]

Between 1946 and 1949, while self-employed, petitioner developed what he considers a new and improved process for the production of heavy water. In January 1949, petitioner was hired by the Atomic Energy Commission as a paid consultant to write a report on the dual temperature exchange process. In this capacity, as the district court found and as petitioner admits, he prepared and submitted a report analyzing the process for the production of heavy water, including a disclosure of his alleged improvement, for use in the Commission's plants (R. 2, 18, 47–48; Pet. Br. 14, 33; Pet. 15–16; Reply to Respondents' Brief in Opposition, pp. 7, 10). Under further contracts, petitioner served as a consultant on the construction and operation of heavy water plants until 1953 (R. 2. 47–48; Pet. 16). The Commission's Dana Plant and Savannah River Plant were established during this period, incorporating the features of what later became the Commission-owned patent and improvements, including that which petitioner asserts

[4] Petitioner asserts that he made the first invention in 1942 (Pet. Br. 13). During that period he was employed by a contractor of the Office of Scientific Research and Development, a government agency. While perhaps initially conceived at this time, the invention was completed during petitioner's work for the Manhattan District. Pursuant to the terms of these contracts he assigned the patent to the government.

to be his additional invention.[5] It is agreed that, in the course of his employment, petitioner reserved any invention rights which he may have in the improvement (R. 2, 47–48; Pet. Br. 14; Pet. 16).

A patent application on the alleged invention of this improvement was filed by petitioner on September 29, 1950 (R. 9, 18). Acting under the authority of the Act of October 6, 1917, 40 Stat. 394, as amended, now 35 U.S.C. 181, the Patent Office made this application available to the Atomic Energy Commission for security review and, on October 30, 1950, the Patent Office issued a secrecy order with respect to it (R. 3, 9–10). Until the order was withdrawn, no patent could have been issued,[6] and petitioner was

[5] The district court expressly found that technical manuals describing operations of these plants (attached and referred to in the respondents' exhibits, R. 19–37) "incorporated description of the alleged improvements claimed by the plaintiff" (R. 18). Utilization of the improvement in the Commission's plants was stated by respondents' counsel in the district court (R. 48), is expressly asserted in petitioner's brief, and previously in his petition for certiorari, his reply to respondents' brief in opposition, and his petition for discovery in No. 339; the integration of the alleged improvement in the plants also underlies petitioner's continuous efforts to prevent publication of manuals, flow sheets, etc. of these plants and his charges that any such publication would violate the orders forbidding disclosure of the processes involved in his patent application. R. 13; Pet. Br. 14, 35–36; Pet. 16–17, 34–35; Reply to Brief in Opposition, pp. 2–3, 10; Petition for Discovery, filed in this Court on August 25, 1958, pp. 2, 3–4, 6; Supplement to Petition for Discovery, filed on September 12, 1958, p. 2.

[6] Despite the secrecy order, the Patent Office nevertheless processed the application as its regulations provide, and would have advised petitioner when it was in condition for allowance except for the secrecy order. 37 C.F.R. 5.3. Since petitioner's application was originally rejected and was not allowed until

also enjoined from publishing and disclosing the invention (R. 9–10). While the secrecy order was effective, petitioner was therefore prevented from filing patent applications in foreign countries (R. 3–4, 10–11) and did not have available the protection of Article 4 of the Convention for the Protection of Industrial Property (*infra*, pp. 52–53) which provides that if a patent application has been filed in a convention country an application may be filed within a year in any other country belonging to the convention without being open to the challenge of prior publication having occurred during that year.[7]

(*b*) Late in 1956, the Atomic Energy Commission determined that defense and security considerations no longer required the classification of processes for the production of heavy water and that, thenceforth, this information should be disseminated. Specifically, it was to have been discussed at a conference on isotope separation processes to be held in Amsterdam in April 1957 (cf. Pet. Br. App. 17a–18a). The Commission published a notice in December 1956 that it proposed to declassify heavy water information (R. 50). On January 22, 1957, petitioner wrote to the Chairman of the Commission, requesting declassification of the subject matter of the two patent applications

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after the rescinding of the secrecy order in February 1957, no notice of allowance was transmitted and the secrecy order did not actually delay issuance of the patent. R. 48; Pet. Br. 38, n. 8.

[7] The United States and some fifty other countries are members of the Convention. *Treaties in Force, a List of Treaties and Other International Agreements of the United States, in Force on January 1, 1958*, p. 209.

(*supra,* pp. 3–5), as he desired to deliver a paper concerning them at the Amsterdam conference (R. 50).

The projected declassification commenced in the early part of 1957 (R. 4). The secrecy orders relating to the patent applications were rescinded on February 1, 1957, an action of which petitioner was notified several days earlier (R. 4, 12). At about the same time, the Commission declassified and made available to the public the manuals and reports describing the operation of its heavy water plants (R. 18–37), and opened the plants to public inspection (*e.g.,* R. 36).

(*c*) At this juncture, petitioner apparently changed his mind about disclosing his invention and requested the Atomic Energy Commission to refrain from the publication of any data relating to his 1950 patent application in view of the adverse effect such publication would have on the patentability of the invention in foreign countries. Petitioner pointed out that, as the result of the secrecy order, he had not been able to file his foreign patent applications and secure the benefits of the one-year period of the Convention for the Protection of Industrial Property. In a letter addressed by his patent attorney to the Atomic Energy Commission on March 13, 1957, and attached to his complaint in this proceeding (R. 11–13), he took the position that, while he was proceeding "as rapidly as possible" with the filing of patent applications in a number of foreign countries, it

> * * * would be most unfair for the Commission * * * to publish information that would

> bar a U.S. citizen from obtaining foreign patents on applications that could not previously be filed because of secrecy orders instigated by the Commission.
>
> * * * * *
>
> Of course when Mr. Spevack's U.S. patent is issued and this itself becomes a publication, a matter that we hope will ensue within the next few months, then anything disclosed * * * at that time will not be a breach of any contractual or moral duty owed to Mr. Spevack by the Commission as a branch of the Government dealing fairly with its citizens.

On March 21, 1957, the respondents advised petitioner that they were willing to postpone by thirty days the publication of the two reports specified in petitioner's letter of March 13, 1957 (cf. R. 13, footnote), and to consider a similar delay with respect to such other Commission reports as petitioner would request (R. 74).[8] The thirty-day period would have expired approximately at the time of the opening of the Amsterdam conference at which Mr. Spevack had planned to describe the processes (*supra,* pp. 6–7).

2. *The judicial proceeding.*—On April 10, 1957, petitioner filed his complaint for injunctive relief (R. 1–13). The basic theory of the complaint was that, as the result of the 1950 secrecy order, petitioner was deprived of the benefits of the Convention for the Protection of Industrial Property, *viz,* that, if he could have filed his patent applications abroad within

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[8] This letter was attached as an exhibit to an affidavit of the petitioner in the Court of Appeals, and is not in the printed portion of the record in No. 641. See n. 1, *supra.*

a year of the filing of his application with the United States Patent Office, these foreign applications could not have been defeated by any publication made during that year (R. 4, 5). Petitioner therefore asked that the publication of information with regard to his process be enjoined lest he be barred from obtaining patents abroad. He assured the court that he was taking steps to file patent applications in 21 foreign countries as rapidly as possible (Complaint, par. 15, R. 6).

In his complaint, petitioner also alleged that the Commission had no right to publish the improved processes because it had received the information in a confidential disclosure (R. 4–5). Although the complaint alleged that contracts petitioner had with the Commission "expressly recognized his rights in the subject matter disclosed to the A.E.C. by him" (R. 2), it thereafter referred only to disclosures made in petitioner's patent application and under the reporting provisions of the Atomic Energy Act (R. 2), omitting reference to disclosures made by petitioner during his work as an employed consultant. Such disclosures were only later conceded by petitioner and found by the district court (*supra*, pp. 4–5, and n. 5).

On the same day that the complaint was filed, April 10, 1957, petitioner obtained a temporary restraining order on the ground that the consequence of "the disclosure of the subject matter of plaintiff's U.S. Patent Application, Ser. No. 188,925, prior to his application for foreign patents * * * would be to destroy plaintiff's right to obtain foreign patents on his said invention in most foreign countries * * *" (R. 14–15). The order enjoined respondents from "caus-

ing or permitting the dissemination of any documents, reports, memoranda, technical data, in their pleadings in this action, or otherwise, disclosing the heretofore unpublished features of plaintiff's [petitioner's] Patent Application * * *."

Petitioner's motion for a preliminary injunction was opposed on the ground that the litigation had become moot. Affidavits and technical manuals attached to respondents' opposition to the motion for preliminary injunction indicated the extent of the dissemination and publication of the processes of heavy water production which had occurred pursuant to the declassification orders (R. 17, 19–37). Finding that reports containing a description of the improvements claimed by petitioner had been disclosed to the public before this suit was filed,[9] the dis-

[9] The secrecy order had been lifted on or about February 1, 1957. By February 6, 1957, the manuals and reports started to become available to the public (R. 19, 20). Petitioner instituted these proceedings on April 10, 1957, *i.e.*, two months later.

Respondents' exhibits in this suit showed that, during the interim period, the manuals and reports had been open to the public in three technical libraries of the Commission (R. 19, 21, 31–34) and at offices and libraries of several A.E.C. contractors (R. 22, 30) and that they had been transmitted to a Canadian body and to a Swedish firm engaged in atomic energy work (R. 24, 25, 27). Petitioner has contended that the affidavits were incompetent, insufficient to prove publication, and, in any event, did not establish publication in a number of countries which will grant a patent as long as no domestic publication has occurred (R. 61, 64, 66–68, 72–78; Pet. Br. 40–47).

Petitioner's Petition for Discovery and the Supplement thereto, filed in this Court on August 25 and September 12, 1958, revealed that an article was published in July 1958 in a West German scientific journal, which disclosed features of his proc-

trict court denied the motion for a preliminary injunction.

The Court of Appeals affirmed (Pet. Br. App. 9a–11a). It held that under Sections 3(b) and 141 of the Atomic Energy Act of 1954, 42 U.S.C. (Supp. V) 2013(b), 2161, App. A, *infra*, pp. 53, 54–55, respondents possessed the statutory authority to disclose the data here involved and that petitioner did not allege any statutory limitation, but, at best, challenged respondents' discretion in exercising their power. Hence, the court reasoned, the complaint actually constituted an unconsented suit against the United States which should have been dismissed for lack of jurisdiction, rather than on the ground of mootness. In these circumstances the Court of Appeals did not reach the latter issue (Pet. Br. App. 10a).

The judgment of the Court of Appeals was entered on September 19, 1957 (Pet. Br. App. 11a–12a). Twelve days later, petitioner applied for leave to amend his complaint so as to include allegations that respondents lacked statutory authority to publish any data relating to an invention not owned by the United States without the consent of the inventor or, in the alternative, that the statute would be unconstitutional if it purported to have such effect

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ess. Petitioner stated that the periodical has "wide international distribution"; we believe that it can be found in scientific and university libraries throughout the world. While petitioner unsuccessfully sought to demonstrate that this publication was respondents' fault, his own papers in that petition furnish confirmation of mootness. For the reasons stated in n. 2, *supra*, however, we have not reargued the issue of mootness in this brief.

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(Pet. Br. App. 12a–14a; R. 87–94). The Court of Appeals denied the motion to amend the complaint, and also denied a motion for a rehearing filed on October 4, 1957 (Resp. Br. App. 63; R. 124).

Upon petition for a writ of certiorari, this Court granted the writ and remanded the cause to the Court of Appeals with instructions to allow the proposed amendments, and to determine the issues raised by petitioner's appeal in the light of the amendment (Resp. Br. App. 65; 355 U.S. 601). On remand, the Court of Appeals adhered to its earlier decision (Pet. Br. App. 14a–16a). It held that it had earlier determined that the Atomic Energy Act authorized "this sort of publication," *i.e.*, the dissemination in these circumstances of such scientific and technical information relating to atomic energy. Relying on the decisions of this Court in *Yearsley* v. *Ross Construction Co.*, 309 U.S. 18, 21; *United States* v. *Causby*, 328 U.S. 256; and *Larson* v. *Domestic and Foreign Corp.*, 337 U.S. 682, 697, n. 18, the Court of Appeals held that this interpretation of the statute did not render it unconstitutional. If the publication constituted the taking of the property right of an inventor, the United States had promised either expressly or by implication to pay just compensation to the owner and had afforded him a remedy for its recovery in the Court of Claims; the availability of this judicial remedy fully satisfied the requirements of the Fifth Amendment which does not command the payment of damages by the United States prior to the taking. Since the amended complaint failed to state a claim upon which relief could be granted, the case was

ordered remanded with instructions to dismiss (Pet. Br. App. 16a). This Court granted certiorari on October 27, 1958 (Resp. Br. App. 68).

3. *The present status of petitioner's patent application and the effect of the restraint upon respondents.*— The district court denied petitioner's preliminary injunction on April 19, 1957, *i.e.*, over 21 months ago. As a result of a series of temporary stay orders and injunctions, three issued by this Court and four by the Court of Appeals, respondents are still, in substance, subject to the prohibition of the original temporary restraining order.. They are barred "from further promulgation and disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes described in petitioner's patent application" (Resp. Br. App. 67).

(*a*) Petitioners original request to the Commission was for a delay of only a few months from March 1957, until his patent was expected to issue (R. 13). The petition for certiorari, filed September 6, 1958, disclosed that all the claims of petitioner's patent application had already been allowed by the United States Patent Office (Pet. 17).[10] A patent, accordingly, will issue shortly, terminating the originally requested period, unless petitioner himself retards issuance by delaying payment of the final filing fee or by requesting a postponement from the Patent Office.[11]

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[10] See also the Petition for Discovery filed on August 25, 1958, pp. 3–4, and Supplement to Petition for Discovery filed on September 12, 1958, p. 2.

[11] Under 35 U.S.C. 151, a patent issues within three months (usually from four to eight weeks) after payment of the final fee which, in turn, is payable not later than six months after the applicant has been notified of the allowance of his claim,

As to petitioner's asserted interest in foreign patents, petitioner stated in the complaint that he contemplated filing for patents in twenty-one named countries "and in other countries in which it may be determined that commercial use of the invention is likely" (R. 6). At that time, April 10, 1957, he was in the process of completing six of such applications (R. 6). More than one year later, in an affidavit filed in the Court of Appeals on April 16, 1958, petitioner averred that he had filed patent applications in twelve countries, was in the process of applying in a thirteenth, and also desired "to file patent application for the subject matter here involved in as many of the 108 patent-issuing countries of the world as is prudently possible and within his means."[12] Petitioner's brief on the merits in this Court, filed on December 11, 1958, does not indicate what progress had been made during the intervening eight months.

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except that the Commissioner of Patents may accept the filing fee up to one year late, for good cause shown. The regulations provide that the applicant must submit a verified statement in support of a delayed payment (37 C.F.R. 1.317) and that the patent will issue in regular course unless the applicant requests suspension for the three-month period (37 C.F.R. 1.314).

35 U.S.C. 41(a)(2) provides that the fee upon issuing a patent amounts to $30.00, and $1.00 for each claim in excess of twenty.

[12] This affidavit is in the Court's Record in No. 339, at pp. 25–26, and has not been printed. Petitioner filed the affidavit in response to the request of the Court of Appeals for this information (see Record in No. 339, p. 20). He submitted to the court below a sealed list of the thirteen countries involved, but refused to disclose them in the affidavit served upon respondents (Record in No. 339, p. 26).

(*b*) Respondents' performance of their statutory duties has been severely restricted by the orders forbidding disclosures during the past 21 months. In order to comply with the temporary restraining order of April 10, 1957, the Commission examined about 1,000 reports and similar documents to determine whether they contained any reference to the claims specified in petitioner's patent application. As a result, some forty declassified documents had to be impounded again in their entirety because possibly they contained some reference to petitioner's patent claim.[13] Similarly, access to heavy water plants which had been opened to inspection by scientists and technicians, as well as other interested persons (*e.g.*, R. 36), had to be denied again because they contained some features which possibly were covered by petitioner's patent claim.

In addition, the restraining order and the injunctions keeping it in effect have had a profound effect upon the participation by the Commission in the discussion and dissemination of information in the entire field of heavy water production. In particular, international activities have been restricted. The orders have greatly limited the participation of the United States in two international conferences called under the Atoms for Peace programs, *viz*, the Amsterdam Conference of April, 1957, and the Second International Scientific Conference on the Peaceful Uses of Atomic Energy held in Geneva,

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[13] In the report referred to at R. 31, less than 25 percent of the pages refer to petitioner's invention. In the remaining documents, the proportion is smaller.

Switzerland, during the first two weeks of September 1958. The Commission has been unable to cooperate fully with the Organisation for European Economic Cooperation, of which the United States is an associate, in O.E.E.C.'s current evaluation of methods of producing heavy water and its plan to construct a plant. Numerous other requests for information and consultation regarding heavy water technology from individuals, governments, private and regional organizations, have been refused during the past 21 months, as a result of this litigation (Pet. Br. App. 17a–19a).

SUMMARY OF ARGUMENT

Petitioner persists in presenting this case as if the issue were the Atomic Energy Commission's authority to publish an unpatented private invention disclosed to it through the filing of a patent application or of a statutory report. But that is not this case at all; and the Commission has never asserted any such power.

The Commission's knowledge of petitioner's improvement was obtained when petitioner, while under contract with the Commission, submitted a report demonstrating how the improvement could be utilized, and acted as a paid consultant to the Commission with respect to the development and construction of the Commission's heavy water plants. Petitioner's improvement was embodied in these plants—along with Commission-owned processes and the works and inventions of other scientists—with petitioner's knowledge, consent, and participation. Respondents seek only to disseminate technical information on the operation of these plants. The narrow questions truly

presented here thus involve the interpretation of the contractual relationship under which the improvement was disclosed to the Commission: whether petitioner effectively reserved the right to prevent the publication of data concerning the Commission's plants; and whether, on general equitable principles, he is entitled to injunctive relief in the particular circumstances of this case.

I

Under petitioner's agreement and dealings with the Commission, it has the right to publish his improvement in the course of its dissemination of information on heavy water technology.

A. Petitioner, according to his own statement, "confided" his improvement to the Commission "for use in the production of heavy water * * * subject to appropriate compensation in due course." Thus, this case presents a situation of an implied license, arising from the course of conduct under the contracts between petitioner and the Commission. *De Forest Radio Tel. & Tel. Co.* v. *United States,* 273 U.S. 236, 241. Petitioner has failed to plead the contract terms, alleging merely that his "rights" were "recognized". He has not only failed to state a cause of action, but, without resort to the terms of the contracts, the conceded facts establish respondents' acquisition of the right to publish manuals and permit access to the Commission's operating plants.

1. Petitioner's argument reduces itself to the narrow point that the license granted was limited to use of his improvement, and that he reserved the right to prevent publication. But the reservations alleged by

him of "rights to an invention" or "proprietary rights" are not sufficient to state a claim on this basis. They indicate merely that petitioner has preserved a claim, which we concede he has, for just compensation if in fact he has a patentable invention which the Commission has utilized. Limitations upon grants of authority to use inventions must be clearly expressed to be effective. The alleged reservation could not remotely have indicated that, in addition to the right to compensation, petitioner could, on demand, require that the Commission's processes, plants, and manuals remain closed to outsiders indefinitely, merely because petitioner's improvement formed part of them.

2. Furthermore, there is no basis for implying any prohibition upon publication. To the contrary, a license to use an invention necessarily carries with it all rights required for full enjoyment. Under the Atomic Energy Act, the use of plant facilities by the Commission necessarily includes the fullest possible declassification and dissemination of technical material concerning the plants. Particularly significant are the Commission's international activities which require dissemination of such data. The declassification and publication here were foreseeable parts of the Commission's use of petitioner's improvement and were necessarily included in the authority conveyed. There is no reason to believe that these vital undertakings were bargained away to satisfy petitioner.

3. In view of the circumstances of this case, the dismissal of the complaint should be affirmed without leave to proceed further. The case has once been remanded to afford petitioner an opportunity to restate

his claim. A further remand, were the temporary restraining order continued, would in effect grant to petitioner what he seeks on the merits—delay—for the very reason that he has failed up to now to show that he is entitled to such delay. A remand unaccompanied by a stay would be futile because the case would become moot. Moreover, the facts of petitioner's dealings with the Commission do not permit of any broader allegation of a reservation of rights than now appears in the complaint.

B. While petitioner's patent application protected his interests in the United States, similar filings in foreign countries were prevented by the existence of the secrecy order. But the secrecy order did not detract from the rights acquired by the Commission under its contracts, which were entered into with knowledge of the secrecy restrictions. Furthermore, the possibility that foreign patent rights would be impaired by secrecy orders was foreseen and intended by Congress, which contemplated that an inventor thus affected would obtain administrative help and, at most, pecuniary relief.

II

Even if petitioner has not granted to the Commission permission to disseminate information concerning its plants, he has failed to state a claim for injunctive relief to prevent such dissemination, in view of the relative equities of the parties, particularly the public interest involved, and the availability of pecuniary compensation.

1. The vital public interest in wide dissemination of information concerning the Commission's plants

is reflected in the scheme of the Atomic Energy Act and in the Commission's extensive programs of technical assistance and interchange of information, particularly with other countries. The grievous impact of the relief sought is shown by the effect of the stay orders *pendente lite,* which have restricted participation in Atoms for Peace conferences, among others.

2. The restraint sought is also unreasonable in scope, since it would prevent public access to large areas of heavy water technology and to processes wholly owned by the Commission, which were "commingled" with petitioner's improvement as the result of his own work. It is also unreasonable in time. Petitioner asserts the right to prevent publication until he files in all "the 108 patent-issuing countries", if he so desires. He also has indicated an intention to prolong the secrecy bar by delaying issuance of his United States patent (Reply to Brief in Opposition in No. 339, pp. 5–6, 10). Any such action "defeats [the] benevolent aim" of the patent laws and bars equitable relief. *Woodbridge* v. *United States,* 263 U.S. 50, 56.

3. Finally, petitioner has an adequate remedy at law for compensation, if owing, on any of three grounds.

First, if petitioner is correct in his allegation that the Commission has gone beyond the operations permitted by his license, he has stated a cause of action for breach of contract. Second, the Commission's use by publication, even if unauthorized, might give rise to a promise—implied in fact—to pay compensation, which is also actionable under the Tucker Act.

Third, the Commission's use of the improvement could constitute a taking of property and this Court has held that the cause of action to recover compensation under the Tucker Act, 28 U.S.C. 1491, App. A, *infra*, p. 60, is a reasonably just and prompt remedy for such taking. Since a right to seek compensation is available, there is no need for injunctive relief.

ARGUMENT

INTRODUCTION

The Atomic Energy Act contemplates that the Atomic Energy Commission will learn of pertinent inventions in two ways:—(1) as a result of Commission contracts, under which inventions are conceived or are sold, licensed, or disclosed to it (Sections 152, 159, 161 (d), (e), (g), 42 U.S.C. (Supp. V) 2182, 2189, 2201 (d), (e), (g)); and (2) as a result of the reporting provisions, which require that an invention or discovery in certain fields must be completely described either in a report filed with the Commission or in a patent application filed with the Commissioner of Patents, which the latter will supply to the Commission (Section 151 (c), (d), 42 U.S.C. (Supp. V) 2181 (c), (d)).[14]

Petitioner persists in presenting this case as if the issue were the Commission's authority to publish an unpatented private invention disclosed only under the second alternative above, the reporting pro-

[14] The similar reporting provisions of the 1946 Atomic Energy Act were in Section 11(a)(3), 60 Stat. 768, 42 U.S.C. (1952 ed.) 1811(a)(3).

visions.[15] Eight pages of intricate Questions Presented on this point do not promote clarity (Pet. Br. 3–10). However, to the extent that petitioner spells out his repeated allegation of a disclosure made "in confidence" (Pet. Br. 5, 8, 10), he refers, in his questions presented, only to a disclosure made "in accordance with law" (Pet. Br. 7), specifically by the filing of a patent application (Pet. Br. 5, 6, 7, 8–9).[16]

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[15] Undoubtedly because of the secrecy surrounding the facts of this case, *amici* also press the same question.

The reporting requirements were intended "to keep the Commission fully and currently aware of all technology in the field of atomic energy" (H. Rept. No. 2181, 83d Cong., 2d Sess., p. 25) and the issue thus asserted is whether, when the Commission becomes so "aware", it may proceed to use an invention, direct compulsory licensing, and disseminate it. Of course, even if such power exists, the inventor may fully protect himself by promptly applying for a patent; therefore, phrased differently, the question raised by petitioner is whether the reporting provisions (read with other sections, n. 34, *infra*) have terminated an inventor's prerogative to keep an invention in this field secret rather than publish by patenting (see Pet. Br. 9).

This issue cannot arise at present because, as stated *infra*, pp. 23–24, the Commission has never sought to exercise any power to publish inventions divulged under the reporting section. Rather, the Commission continues to rely upon contractual arrangements.

[16] In his complaint, petitioner originally alleged that he satisfied the reporting provisions by filing a patent application and, also, by filing "a complete description" of the improvement with the Commission in August 1949 (R. 2–3). Section 151(c) and its predecessor required only one of those acts and we are advised by the Commission that it has no report from petitioner filed under 151(c).

Petitioner now apparently limits his contention to the disclosure made in the patent application (Pet. Br. cited in text, and 33, 38–39). His communication in August 1949, described in the brief only as "the substance of his new process" disclosed "in compliance with the spirit" of the Act (Pet. Br. 14), was apparently not 151(c)'s "complete description". See also p. 9, *supra*.

Similarly, the asserted issue of the Commission's lack of statutory power to publish (Pet. Br. 4–6, 7, 10) assumes, and implies, that no contractual relations are involved.

But that is not this case at all. The Commission's knowledge of petitioner's alleged invention, and the challenged publication, would have occurred in precisely the same way in the absence of any reporting provision in the Atomic Energy Act. The decisive facts, obscured in the complaint but since clearly established, are that petitioner disclosed his improvement while under contract with the Commission; that he was employed as a consultant upon the construction and operation of the Commission's Dana and Savannah River heavy water plants for most of the period from January 1949 to 1953; and that, during this employment, his improvement was embodied in those plants and integrated into the Commission-owned process. See the Statement, *supra*, pp. 4–5.[17] Petitioner's disclosures under contract were entirely apart from the additional communication effected by filing a patent application. Likewise, the technical manuals disseminated here by the Commission were neither petitioner's patent application as such, nor derived from it, but consisted solely of descriptive data drawn by various technicians from the Commission's plants upon which petitioner had

[17] These events have been mutually conceded by the parties and found, in part, by the district court (*supra*, pp. 4–5). Facts conceded by counsel (*Oscanyan* v. *Arms Co.*, 103 U.S. 261, 263–264; *Best* v. *District of Columbia*, 291 U.S. 411, 415) or stipulated by the parties (*e.g.*, *Coffman* v. *Breeze Corporations*, 323 U.S. 316, 319) may be relied upon for dismissal of a complaint.

been employed (R. 18–37). The challenged publication does not remotely represent the assertion by the Commission of a power to publish any private invention reported to it under the Atomic Energy Act.

Accordingly, the case does not properly present the far-reaching questions of abstract administrative authority posed by petitioner and *amici,* but, rather, much narrower issues arising from the particular underlying contractual relationship in this case. The court below, it is true, relied upon the respondents' general authority to disseminate information (Pet. Br. App. 10a, 15a); and, although not articulated, the opinions appear to suggest that the Commission's power to publish extends to inventions obtained, not under contract, but solely by means of the reporting provisions. However, the Commission does not, and has not, asserted such power and would not have come to make the challenged publication except for the prior contractual dealings.[18] The broad issue proffered by petitioner is hypothetical upon the facts here, and "Courts should avoid passing on questions of public law even short of constitutionality that are not immediately pressing." *Eccles* v. *Peoples Bank,* 333 U.S. 426, 432.

The dismissal of the complaint should be affirmed without reaching the questions which would be presented if there had been no prior contractual dealings.

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[18] For that reason we do not believe that this case presents the question whether, if the Commission actually contemplated publication of information derived solely from the reporting procedures, a suit to enjoin such publication would be, as the court below held (Pet. Br. App. 9a–11a), a suit against the United States without its consent.

Petitioner has failed to state a cause for relief because those prior contractual relations impliedly licensed the Commission to publish his improvement. Moreover, on general equitable principles he is not entitled to injunctive relief.[19]

I

BY VIRTUE OF PETITIONER'S CONDUCT IN AUTHORIZING AND ASSISTING IN THE INCORPORATION OF HIS IMPROVEMENT FOR USE IN THE ATOMIC ENERGY COMMISSION'S PLANTS, WHICH USE NECESSARILY INCLUDED THE CHALLENGED PUBLICATION, THE COMMISSION HAS THE RIGHT TO MAKE THE PUBLICATION

A. PETITIONER'S GENERAL COURSE OF CONDUCT AUTHORIZED THE PUBLICATION

Petitioner's complaint discloses (R. 2) that he had contracts with the Commission "covering most of the period from January, 1949 through January, 1953" and that these contracts dealt with "the subject matter disclosed to the A.E.C. by him and embodied in said patent application Ser. No. 118,925 * * *" In his Reply to Respondent's Brief in Opposition in No. 339, p. 10, petitioner alleges that he himself "confided" the improvement to the Commission "for *use in the production of heavy water* for the United States subject to appropriate compensation in due course" (emphasis in original). Although at one

[19] In order to simplify presentation of the facts and legal issues, this brief assumes throughout, without conceding, petitioner's claims that the improvement involved in the patent application was entirely and independently devised by him, and that it constitutes a substantial advance over the prior art. At the appropriate stage of the appropriate proceeding, the Commission intends to controvert both these contentions.

point petitioner assailed respondents for "commingling" his improvement with the Commission-owned process (*ibid.*, pp. 2–3, 6), petitioner has at the same time conceded that he was a party to the "commingling" and has indeed urged that it resulted from his work as a consultant for the Commission. See also *supra*, pp. 4–5.

Thus it appears from petitioner's allegations and concessions that he knew of, consented to, and participated in the action of the Commission in constructing heavy water plants in which his improvement was commingled with Commission-owned processes and the works and inventions of other scientists.

The settled rule is that "any conduct" of an owner of a patent or invention "exhibited to another from which that other may properly infer that the owner consents to his use of the patent * * * upon which the other acts, constitutes a license and a defense to an action for a tort. Whether this constitutes a gratuitous license, or one for a reasonable compensation, must of course, depend upon the circumstances * * *." *De Forest Radio Tel. & Tel. Co.* v. *United States*, 273 U.S. 236, 241; *Lukens Steel Co.* v. *American Locomotive Co.*, 197 F. 2d 939, 941–942 (C.A. 2).[20] We submit that petitioner's course of conduct with respect to his improvement and its utilization by the Commission, in the light of these circumstances and as a matter of general patent law, granted a license to the Commission to use the improvement in

[20] See also *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 296 (C.A. 4); *General Motors Corp.* v. *Dailey*, 93 F. 2d 938, 941 (C.A. 6); *Finley* v. *Asphalt Paving Co.*, 69 F. 2d 498, 503–04 (C.A. 8); 2 Walker, *Patents* (Deller's ed.), Secs. 366, 373–375; 2 Robinson, *Patents* (1890), Secs. 808, 834.

its plants, and incident thereto to publish its operating manuals and such other information as might be necessary to utilize the Commission-built plants for their intended purposes. Petitioner's "conduct" while employed by the Commission is dispositive of this case and requires affirmance of the dismissal of the amended complaint.

Under general patent law, petitioner's alleged reservation of rights preserved to him—in view of his actions—no more than the right to reasonable compensation from the Commission for its use of his improvement. In other words, the Commission had the right to publish its manuals, in the manner here challenged, regardless of whether or not the information therein constituted "Restricted Data," because it had acquired that right from petitioner as an incident of his work for the Commission. This is so because a necessary consequence of the incorporation of petitioner's improvement into the Commission's operating plants was to enable the Commission to utilize the plants—in which petitioner's improvement constituted a minor but integral part—in the same manner in which the Commission utilized any other of its facilities, subject only to petitioner's claim for just compensation. And, of course, normal utilization of Commission facilities requires that the Commission be able, if it sees fit to do so, to open its plants for inspection and to publish and disseminate technical manuals describing the operations at such plants. Before the Commission can be found to have been subject to any additional restrictions with respect to the plants which it constructed, petitioner

must point to some specific restriction which he has imposed upon the Commission and which the Commission has accepted. As we show immediately below, petitioner has not demonstrated that any such restriction was imposed upon the Commission.

B. PETITIONER HAS NOT SUSTAINED THE BURDEN, WHICH RESTS WITH HIM, OF SHOWING A SPECIFIC RESERVATION OF RIGHTS AGAINST PUBLICATION SUFFICIENT TO WARRANT AN INJUNCTION

Since petitioner has conceded that he disclosed his improvement to the Commission for its use, and since he seeks the affirmative and drastic relief of an injunction, the burden clearly rests with him to show that he reserved to himself the power to control the publication by the Commission of operating manuals dealing with Commission-owned plants. Petitioner's argument thus reduces itself to the narrow point that the license granted by him was limited, that it was only for use in the plants, and *"not for publication* and destruction of his proprietary rights therein" (Reply to Respondents' Brief in Opposition in No. 339, p. 10; emphasis in original).

We submit that petitioner's mere general allegation in the complaint that his contracts with the Commission "expressly recognized his rights" is insufficient to sustain this burden. Cf. *Ex Parte Hull,* 312 U.S. 546, 551.

1. *Petitioner's alleged reservation of "rights" preserved only a claim for compensation for use of his improvement*

In his complaint and subsequent statements of the case, petitioner has sought to set forth the limitations ostensibly imposed upon the Commission, and pre-

sumably accepted by it, by alleging that his employment contracts reserved his "rights in the subject matter disclosed to the A.E.C. * * * and embodied in said patent application", or that they reserved his "proprietary rights in his new process, to be made the subject of a U.S. patent application" (R. 2; Pet. Br. 14; Pet. 16). However, applying the principle that a limitation upon such grants must be clearly expressed to be effective (*Aktiebolaget Bofors* v. *United States*, 194 F. 2d 145 (C.A.D.C.); *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 298 (C.A. 4); *Edison Electric Light Co.* v. *Peninsular Light, Power & Heat Co.*, 101 Fed. 831, 836 (C.A. 6); *Thomson-Houston Electric Co.* v. *Illinois Tel. Const. Co.*, 152 Fed. 631, 633 (C.A. 7)), these allegations fail entirely to sustain the cause of action for equitable relief asserted here.

A general reservation of "rights to an invention" or "proprietary rights" could not have remotely constituted notice that, at petitioner's behest, respondents would have to close the Dana and Savannah River plants to outsiders indefinitely, and would have to keep technical manuals under security wraps after security considerations had ceased to apply. There is nothing to indicate any intention that these plants and manuals, most of which involved a process entirely owned by the Commission, were to be excluded from the normal course of Commission business because petitioner's improvement had been added, and that, among all its plants and operations, they alone would be administered under extraordinarily different conditions.

As with the reservation in *De Forest Radio Tel. & Tel. Co.* v. *United States*, 273 U.S. 236, where the com-

pany "waived none of its claims under any patents or patent rights owned by it", the implied effect of the language here is only to assure "reasonable compensation" (272 U.S. at 239, 242).

We concede here, as we did in the court below (R. 47–48), that if petitioner in fact has a patentable improvement which the Commission has utilized he is entitled to just compensation for such use. That petitioner's arrangement with the Commission contemplated no more than such compensation is also indicated by the background policies in the atomic energy field of making suitable payments for inventions, *infra,* n. 34; by the normal reliance upon money damages as the remedy for breach of a patent license, *infra,* p. 48; and by petitioner's own interpretation of his reservation to require only money payment for use of his improvement in the plants, *supra,* p. 25.

2. *The clear implications of petitioner's dealings with the Commission indicate that no restriction on publication was intended*

Not only has petitioner failed to show any clear reservation which prohibited dissemination of the plants' processes and manuals, but the implications of his transactions with the Commission are flatly to the contrary. As noted above, a license to use an invention or patent necessarily carries with it all rights and privileges required for the enjoyment of the grant. *Lukens Steel Co.* v. *American Locomotive Co.,* 197 F. 2d 939, 941 (C.A. 2); *Frederick B. Stevens, Inc.* v. *Steel & Tubes, Inc.,* 114 F. 2d 815, 819–20 (C.A. 6); *Edison Electric Light Co.* v. *Peninsular Light, Power & Heat Co.,* 101 Fed. 831, 836 (C.A. 6); *Steam Stone*

Cutter Co. v. *Shortsleeves,* Fed. Cas. No. 13,334, 16 Blatchf. 381. Cf. *United States* v. *Univis Lens Co.,* 316 U.S. 241, 249.[21] In the cited cases, the courts have held various licenses to have been extended by necessary implication, *e.g.,* to authorize use of additional patents. *A fortiori,* the rule repels petitioner's attempt to circumscribe respondents' "enjoyment" of the process incorporated in the Commission's plants. Any grant of an improvement or invention to the respondents necessarily implies that they may utilize it in the performance of all the functions prescribed by the Atomic Energy Act.

Those functions plainly include the publication challenged here. The respondents are not only authorized to develop and acquire efficient processes for heavy water production and to own and operate facilities to that end (Sections 31, 32, 161 (e), (g), (m), of the Atomic Energy Act, 42 U.S.C. (Supp. V) 2051, 2052, 2201 (e), (g), (m)), but are equally obligated to publish and disseminate information related to such processes and plants, except to the extent restricted by national security. Section 3, 42 U.S.C. (Supp. V) 2013, declares that one controlling purpose of the Act is to provide for "a program for the dissemination of unclassified scientific and technical information and for the * * *

[21] To the same effect are *Cold Metal Process Co.* v. *Republic Steel Corp.*, 233 F. 2d 828, 846 (C.A. 6); *National Rubber Mach. Co.* v. *McNeil Mach. & Eng. Co.* 132 F. 2d 436, 438 (C.A. 6); *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 296, 298 (C.A. 4); *Victory Bottle Capping Mach. Co.* v. *O. & J. Mach. Co.*, 280 Fed. 753 (C.A. 1); *Brush Electric Co.* v. *California Electric Light Co.*, 52 Fed. 945, 960 (C.A. 9).

declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress."[22] Pursuant to Section 141(b), 42 U.S.C. (Supp. V) 2161(b), the Commission is to be guided by the principle that:

> The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

In transmitting to Congress the bill which became the 1954 Atomic Energy Act, President Eisenhower emphasized the objectives of such dissemination, point-

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[22] The legislative history shows that this broad language should be given full scope. In the first version of the 1954 Act (H.R. 8862, 83d Cong., 2d Sess.), Section 3(b) was in a form which provided only "a program for the control and dissemination of restricted data so as to encourage scientific progress, subject to appropriate safeguards." A witness representing the Special Committee on Atomic Energy of the Association of the Bar of the City of New York pointed out that such language might conceivably be interpreted as covering disclosures of data only while restricted. Stating their confidence that this was not intended, the New York bar group recommended the addition of an express policy of declassification. Hearings on S. 3323 and H.R. 8862 to Amend the Atomic Energy Act of 1946, before the Joint Committee on Atomic Energy, 83d Cong., 2d Sess., p. 402. In the bill introduced shortly thereafter (H.R. 9757, 83d Cong., 2d Sess.) and as enacted, Section 3(b) incorporated this suggestion.

The plain intent that dissemination of unclassified data is an *a fortiori* policy is significant, in view of petitioner's contention that the Act authorizes the Commission to disseminate private inventions and compensate for them only when restricted data is involved.

ing specifically to broader participation in domestic atomic development and a wider cooperation with our allies.[23] Accordingly, the Act requires that the Commission maintain continuous review of restricted data in order to declassify all material "which can be published without undue risk to the common defense and security." Section 142(a), 42 U.S.C. (Supp. V) 2162(a).[24] The production of heavy water in the Commission's plants is, of course, subject to these pro-

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[23] President Eisenhower stated that the Act was proposed to accomplish the following ends:

> First, widened cooperation with our allies in certain atomic energy matters;
>
> Second, improved procedures for the control and dissemination of atomic energy information; and
>
> Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

Message from the President, February 17, 1954, H. Doc. No. 328, 83d Cong., 2d Sess., p. 1.

Section 3 of the Act describes dissemination and also sets forth the objectives to be achieved thereby: "maximum scientific and industrial progress"; "widespread participation in the development and utilization of atomic energy for peaceful purposes"; and "a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit."

[24] The objective of widespread publication is emphasized by the provision that "[t]he Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law" (Section 146(b), 42 U.S.C. (Supp. V) 2166(b)). Taking this provision out of context and quoting it only in part, petitioner manages to assert that 146(b) means the diametrical opposite, that it restricts respondents' authority to *disseminate* rather than "to control or restrict" dissemination (Pet. Br. 34).

visions and the declassification orders of February 1, 1957 (*supra,* p. 7), with the subsequent disclosure of technical manuals, was undertaken in the normal course of the Commission's operations.

The Dana and Savannah River heavy water plants represent an investment of several hundred million dollars. Processes proved in such facilities are key exhibits in the Commission's contribution to "enlarg[ing] the fund of technical information" (Section 141(b)). These are, in addition, a segment of America's achievements in the current technological race toward atomic development, with its obvious overtones of East-West rivalry, and information concerning them is vital to atomic progress among friendly nations. As of June 30, 1958, the Commission had made 33 research and 15 power agreements with 43 countries and the City of West Berlin and was negotiating a joint program with Euratom, the European Atomic Energy Community.[25] The Commission is also active in the International Atomic Energy Agency, has aided regional atomic planning in Europe, Latin America and elsewhere, and has fostered participation by the United States in a number of international scientific conferences, construction of reactors and other facilities abroad, exchanges of scientists, Atoms for Peace libraries, training programs, exhibits, etc. Twenty-Fourth Semiannual Report of the Atomic Energy

[25] The Act authorizes bilateral agreements for cooperation and other international arrangements (Sections 121–125, 42 U.S.C. 2151–2155) and, in some circumstances, even permits communication of restricted data (Section 144, 42 U.S.C. 2164).

Commission, July 1958, pp. 16–60, 112–116; Pet. Br. App. 17a–19a.

Any person who performs research and development work for the Commission is, therefore, under notice that the Commission is duty-bound to declassify technical material, if possible, and to permit and encourage the widest access to its plants and their technical processes, once unclassified. When, with his knowledge, consent, and participation, petitioner's alleged improvement was embodied in the Dana and Savannah River plants and inseparably integrated with the Commission-owned process, the authority conferred by him for its use must necessarily have contemplated dissemination of descriptive data concerning the plants.[26] These vital undertakings of our

[26] The Atomic Energy Act of 1946, then in effect, contained provisions comparable to those in the current law discussed above, which established the Commission's authority and duty to develop and acquire the heavy water processes, to own and operate the Dana and Savannah River plants and to declassify and disseminate information concerning these facilities. Sections 1(b)(2), (3), 3, 8, 10(a)(2), (3), 11(d), 12(a)(5), (7), 60 Stat. 756, 758, 765, 766, 769, 771, as amended, 65 Stat. 692, 42 U.S.C. (1952 ed.) 1801(b) (2), (3), 1803, 1808, 1810(a) (2), (3), 1811(d), 1812(a)(5), (7). The prior Act recognized the role of international arrangements (Section 8) and, since 1951, permitted communication to cooperating nations even of restricted data in reactor development and certain other fields (Section 10(a)(3), 65 Stat. 692).

The policies of dissemination and free access were thus already clear under the law then existing. See, *e.g.*, Fifth Semiannual Report of the Atomic Energy Commission, January 1949, pp. 83–86, 105–119; Seventh Semiannual Report, January 1950, pp. 33–35, 169–172; Eighth Semiannual Report, July 1950, pp. 178–180, 227-230; Twelfth Semiannual Report, July

Government were never bargained away by respondents to satisfy petitioner. Surely, petitioner's mere general allegation that the Commission "expressly recognized his rights" (R. 2) is insufficient to justify injunctive relief on the theory that the Government did bargain away the right to make full use of its plants in the manner contemplated by the Atomic Energy Act. Petitioner has simply not borne his burden of showing—or even alleging—that the Commission did agree to withhold publication of his improvement.[27]

3. *In view of the circumstances of this case, the dismissal of the complaint should be affirmed without leave to proceed further*

In the light of the protracted nature of this litigation—which has included one remand for purposes of amendment of the complaint and has now continued for almost two years—petitioner should not be granted another opportunity to state his claim for injunctive relief. A remand for this purpose would have most unfortunate consequences. Were the case to be re-

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1952, pp. 44–49; Fourteenth Semiannual Report, July 1953, pp. 19–20, 57–62.

To the extent that broader declassification and publication was envisaged in the 1954 Act, this was the expected consequence of technological advance and, in any event, it could not be inhibited by expectations of private parties based upon the prior law. Operations in a closely regulated field like atomic energy are always subject to changes in the statute and in governmental policies. *Federal Housing Administration* v. *The Darlington, Inc.*, 358 U.S. 84, 91.

[27] Petitioner's burden is a triple one—as the plaintiff in this action, the petitioner in this Court, and an inventor claiming that his general license to the Commission excluded publication rights.

manded accompanied by a continuation of the temporary restraining order, petitioner, who has already had 21 months to pursue his foreign patent applications, would in effect be granted still additional time to do so while the government would continue to be restricted in its important program of dissc ninating data relating to heavy water to allied countries and to interested persons—and without any reason to believe that petitioner will probably prevail in the end, or that he even has a substantial case. A remand unaccompanied by a stay would be futile because the case would become moot. Hence, a decision with respect to a possible remand determines in actual effect most of the issues now before the Court. To continue the stay and remand the case for purposes of further amendment of the complaint would permit petitioner to achieve what he seeks on the merits – further delay—*because* his complaint presently fails to show that he is entitled to such relief. Such a result would not be consonant with either the requirements of equity or sound judicial administration, cf. *United Gas Pipe Line Co.* v. *Memphis Light, Gas and Water Division,* Nos. 23, 25 and 26, this Term, decided December 8, 1958, slip opinion, p. 11; *Public Utilities Commission* v. *United Fuel Gas Co.,* 317 U.S. 456, 462–463.

Moreover, a remand would serve no worthwhile purpose because the facts of the case would not permit any more sweeping allegation by petitioner of any reservation of rights on his part. Any restriction upon the normal use the Commission might make of its plants which embody petitioner's im-

provement would have to be contained in the contracts between the Commission and the petitioner pursuant to which the improvement was disclosed. These contracts are not a part of the record before this Court.[28] However, in view of the imprecise nature of the record in this case,[29] the severity of the restraint under which the government has been placed by this litigation, and the urgent public need for a prompt disposition of the case, this Court might desire to consider the contracts and dispose of the case in the light of their provisions.[30] Accordingly, we have filed with the Clerk of this Court envelopes containing copies of the relevant contracts for the convenience of the Court, should the Court desire to consider them. The contracts contain no classified information and respondents know of no reason why they cannot be made public. The relevant provisions of the contracts are summarized in a letter to the Clerk lodged with the contracts. We believe that the

[28] They might well have been made exhibits to the complaint if, in fact, they supported petitioner's position.

[29] At petitioner's request a portion of the proceedings before the district court was off the record. Indeed, some of the findings of fact made by the district court and not challenged here—*e.g.* that petitioner furnished a report to the Commission dated October 25, 1949 (R. 18)—reflect statements of counsel which were not transcribed.

[30] We submit that matters not a part of the formal record should be considered "in deciding the nature of the judgment" to be entered. *Lawn* v. *United States*, 355 U.S. 339, 366 (opinion of Mr. Justice Harlan concurring in part and dissenting in part); cf. *United States* v. *Shotwell Manufacturing Co.*, 355 U.S. 233. At the least, therefore, the contracts could be considered should petitioner assert the ability to allege, on remand, explicit reservations against publication. See 3 Moore, *Federal Practice* (2d ed.), ¶¶ 15.08, n. 28, 15.10.

terms of the contracts fully and conclusively support the respondents' position, but we refrain in this brief from any further comment with respect to the contracts themselves; and we have confined our argument to the facts disclosed by the formal record in this case, including the admissions and concessions of the parties. See p. 23, *supra,* n. 17.

C. THE ISSUANCE OF A SECRECY ORDER, WHICH INDEPENDENTLY CAUSED IMPAIRMENT OF PETITIONER'S FOREIGN PATENT RIGHTS, DID NOT MODIFY THE COMMISSION'S AUTHORITY TO PUBLISH

The authority which petitioner granted to the Commission, as above construed, did not itself threaten injury to him. Petitioner's filing of a patent application in September 1950 safeguarded his interest in the alleged invention in the United States, notwithstanding the license. It was only because of the independent existence of the secrecy order that no similar action could be taken to protect foreign patent rights until February 1957.[31] Solely due to this order, petitioner was unable to file elsewhere, and the Commission's dissemination of technical data can therefore result in a publication barring foreign patents (R. 3–5). But the secrecy order does not provide any ground for equitable relief.

In the first place, the secrecy order cannot detract from the Commission's rights under petitioner's arrangements with it. Throughout the period of petitioner's contracts with the Commission, the patent

[31] Under Article 4 of the Convention for the Protection of Industrial Property, App. A, *infra*, p. 52, the one year period in which a foreign patent can be obtained, despite a prior publication, is measured from the time the first application for a patent is filed.

laws provided for issuance of secrecy orders covering inventions the disclosure of which might be detrimental to national security—first under the wartime provisions (40 Stat. 394, amended, 54 Stat. 710, 55 Stat. 657, 56 Stat. 370) and, then, under the Invention Secrecy Act of 1951, 66 Stat. 3, 35 U.S.C. 181–188. Petitioner was certainly aware of this system. His first patent application had already been under a secrecy order for more than five years when he resumed his employment for respondents in 1949 (R. 2); and further employment contracts were made after the issuance of the order covering the invention in suit. The absence of any reference to the secrecy order in petitioner's allegations of his contract reservations demonstrates that the Commission's authority to use the improvement, subject to compensation, including—as we have shown—the right to publish the technical manuals of its plants, was not to be affected by restrictions independently imposed by the secrecy order.

Second, this independent effect of the secrecy order was specifically contemplated by Congress. In enacting the Invention Secrecy Act, Congress weighed the interests of inventors against the necessities of a secret military technology and recognized that the impairment of foreign patent rights was a regrettable but unavoidable consequence.

The committee reports specifically pointed out that a secrecy order may prevent an applicant for a United States patent from availing himself of the International Convention for the Protection of Industrial Property. Nevertheless, the bill was favored because of the exigencies of national defense and the reason-

ableness of its compensation and other provisions. It was anticipated that foreign patent rights would be preserved, if possible, through administrative arrangements—*e.g.*, bilateral agreements with NATO countries which would permit filing of secret patent applications abroad. S. Rept. No. 1001, 82d Cong., 1st Sess., p. 4, 2 U.S. Code Cong. Serv. (1952), pp. 1321, 1324; H. Rept. No. 1028, 82d Cong., 1st Sess., p. 7. Other administrative amelioration of inventors' interests in foreign patents was described last year by respondents' general counsel to the Joint Committee on Atomic Energy.[32] And, in this very case, in response to petitioner's request to delay publication, the Commission offered to do so for a period of thirty days, at which time an international conference on atomic energy was to take place. See *supra*, p. 8.

Since the impact upon foreign patent rights of secrecy orders was thus clearly foreseen, there can be no doubt that Congress did not intend to give a patent applicant any more than a claim for pecuniary relief from such orders (under 35 U.S.C. 183, *infra*, n. 34; by contract, etc.), as well as opportunity for administrative assistance, where possible. By the Invention

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[32] Mr. William Mitchell, then the Commission's general counsel, told the Committee that the Commission attempts to permit the filing by contractors of patent applications, in the United States and elsewhere, before publishing information concerning them. However, he continued, if publication of all information were to be substantially delayed out of deference to foreign patent claims, it would seriously curtail the program of disseminating technical knowledge. Hearings under Section 202 on Development, Growth, and State of the Atomic Energy Industry, before the Joint Committee on Atomic Energy, 85th Cong., 1st Sess., Part I, p. 301.

Secrecy Act, Congress certainly did not limit the exercise of powers otherwise vested in respondents or acquired by them in the course of their duties. Section 11 of the secrecy statute, 66 Stat. 6, forestalled any such contention, by providing: "Nothing in this Act shall be construed to alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946 (60 Stat. 755) as amended." The Commission's right to publish technical manuals of its plants, under its agreements with petitioner, cannot therefore be hindered or diluted because of the secrecy order.

II

APPLYING GENERAL EQUITY PRINCIPLES, PETITIONER HAS FAILED TO STATE A CLAIM FOR INJUNCTIVE RELIEF IN VIEW OF THE BALANCE OF INTERESTS AND THE AVAILABILITY OF MONETARY COMPENSATION

For this Point we assume, contrary to our showing in Point I, that petitioner did not grant to the Commission permission to disseminate technical manuals concerning the operations of the Commission's plants and to open those plants to inspection, and that such publication affecting foreign patent rights was prohibited by his "reservation". Nevertheless, we submit that the judgment below must be affirmed.

It is a basic tenet of equity jurisprudence that the mere invasion of a right does not entitle a litigant to injunctive relief. That remedy does not issue as a matter of course; it is awarded only in the exercise of sound judicial discretion on the basis of equitable principles. An essential consideration determining whether or not injunctive relief should be granted is

the balancing of the relative equities of the parties, a consideration which is of especial importance where, as here, a private interest is confronted with a large public exigency. *Harrisonville* v. *Dickey Clay Co.*, 289 U.S. 334, 338; *Morton Salt Co.* v. *Suppiger Co.*, 314 U.S. 488, 492–493, and the authorities there cited. As this Court has pointed out, "[t]he history of equity jurisdiction is the history of regard for public consequences in employing the extraordinary remedy of the injunction." *Railroad Commission* v. *Pullman Co.*, 312 U.S. 496, 500. A different formulation of the same idea is the ruling that "[c]ourts of equity may, and frequently do, go much further both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are involved." *Virginian Ry.* v. *System Federation No. 40*, 300 U.S. 515, 552. A further prerequisite to equitable relief is the absence of an adequate remedy at law. *Harrisonville* v. *Dickey Clay Co.*, 289 U.S. 334, 337–338. Measured against these standards, petitioner has failed to state any ground upon which equitable relief should be granted.

1. To protect his interest in a specific improvement, petitioner asks that plants and manuals, into which the improvement has been integrated, be impounded behind a court-imposed bar of secrecy. The public interest in the free interchange and wide dissemination of non-classified technical information regarding atomic energy developments has already been described, *supra*, pp. 31–35. The Atomic Energy Act itself expresses a congressional finding of the public stake involved (*supra*, pp. 31–32) and the reasons for

denying an injunction are compelling. *Harrisonville v. Dickey Clay Co., supra.*

The serious impact upon the Commission's programs is demonstrated by the effect thus far of the series of stay orders and injunctions *pendente lite*. During the past 21 months, the United States has been unable to participate fully in programs of technical assistance and development, crucial aspects of our international policies. Respondents have also been unable to answer numerous queries addressed by foreign and domestic scientists and technicians. In mute testimony to the impact of this case, our representatives and employees have been required to sit silent during significant aspects of Atoms for Peace conferences and, also, during some of the discussion of plans for a regional European plant to produce heavy water, a significant stride in atomic reactor development (Pet. Br. App. 17a–19a). See the Statement, *supra*, pp. 15–16.

This silence has been imposed when, regardless of whether nastiness has been sufficiently established in this record (see notes 2, 8, *supra*), there is no doubt that the scientific and engineering professions generally are fully aware of most of the features of the processes in the Commission's plants and manuals. The basic, Commission-owned, patent has been public knowledge since early 1957. Substantial parts of petitioner's alleged improvement, if not the entire improvement, were published in a West German scientific journal, available in technical libraries throughout the world (n. 8, *supra*). Only the Commission, representing United States research and

development, is forbidden to participate in further exchanges of inquiries and responses on this subject.

2. Furthermore, the broad restraint sought is unreasonable in scope and time. First, it extends to processes wholly-owned by the Commission. Even if petitioner is said to have reserved his right to prevent a publication impairing possible foreign patents on his improvement, it is certainly material that the improvement was integrated into the Commission's process, not as the result of a tort or breach of confidence, but through his own work as a paid consultant for the Commission.[32a]

Second, petitioner has set no definite limit in time to the injunction prayed. Originally, as we have shown, *supra*, pp. 7–9, petitioner complained of the loss of the priority period under the Convention for the Protection of Industrial Property, and requested a delay of a few months until his patent was expected to issue. Since the secrecy order was lifted, on February 1, 1957, he has had more than 23 months to file applications abroad, far more than the protection

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[32a] On January 22, 1959, respondents filed an application with the Chief Justice seeking a construction or modification of the Order of July 3, 1958, *infra*, pp. 67–68, so as to permit respondents to grant limited access to the Dana Heavy Water Plant to contractors of the Army Chemical Corps. Such access is essential to permit the Army Chemical Corps to adapt the Dana plant to the production of an urgently needed classified chemical agent unrelated to heavy water. As indicated in the affidavits filed with this application, the Dana plant has not been used since 1957 and conversion of the plant for this purpose would result, in the opinion of an Army survey team, in a possible saving to the government of approximately $6,000,000, advance by six months the date on which production of the chemical agent may be commenced, and have other beneficial consequences.

obtainable under the international convention. The convention assures only 12 months and it constitutes a finding, concurred in by most of the industrial nations, that that period is adequate for the purpose. Nevertheless, petitioner's theory now is that, since he disclosed his improvement in confidence as a trade secret, he may enjoin its publication as long as he desires—until he files "in as many of the 108 patent-issuing countries of the world as is prudently possible and within his means." *Supra,* p. 14. Petitioner's brief gives no indication when this period would end.

Of course, the issuance of a domestic patent would constitute a publication ending the controversy, as petitioner's counsel stated in March 1957 (R. 13). *Supra,* pp. 7–8. At that time, it was indicated that the issuance was a few months off (R. 13), and, hence, that the prejudice to the public through injunctive relief would be relatively small. It is now about 22 months later, and more than 4 months since petitioner told this Court that his claims had been allowed by the Patent Office. Yet, if petitioner had promptly paid his fee, the patent would have already issued, as normally a patent issues within four to eight weeks after payment of the fee. See *supra,* p. 13, n. 11.

Surely, petitioner would forfeit all right to equitable protection if, as he has indicated (Reply to Brief in Opposition in No. 339, pp. 5–6, 10), he intends, or has acted, deliberately to delay the grant of a patent by waiting the full six months permitted to pay the final fee (35 U.S.C. 151) and by seeking administrative extension of such period and postponement of issuance, under 37 C.F.R. 1.317, 1.314. He who seeks equity must act diligently and must do equity.

Procrastination in the payment of the patent fee, quite apart from keeping this litigation artificially alive, is contrary to the basic philosophy of the patent law.

Speaking for a unanimous Court, Chief Justice Taft condemned dilatory tactics in *Woodbridge* v. *United States,* 263 U.S. 50, 56:

> * * * Any practice by the inventor and applicant for a patent through which he deliberately and without excuse postpones beyond the date of the actual invention, the beginning of the term of his monopoly, and thus puts off the free public enjoyment of the useful invention, is an evasion of the statute and defeats its benevolent aim.

Cf. *Scott Paper Co.* v. *Marcalus,* 326 U.S. 249, 256. In *Woodbridge,* where the inventor delayed issuance to protect foreign patent rights and to await enhancement of value, his "deliberate and unlawful purpose to postpone the term of the patent" caused forfeiture of the patent. 263 U.S. at 59.[33] Certainly, here, any

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[33] The facts in *Woodbridge* are strikingly apt. After the Patent Office had allowed his claims for an improvement in cannon projectiles, in 1852, Woodbridge requested that the patent be held in secret files so that foreign patent rights "may not be affected by the publication of the invention." He requested a delay of one year, but nine and one-half years passed before he finally applied for issuance in December 1861, after the outbreak of the Civil War. 263 U.S. at 52–53, 56. In a later case holding that a long pendency of proceedings before the Patent Office will not cause forfeiture, this Court reaffirmed *Woodbridge*, pointing out that, there, the delay occurred after allowance of claims when the patent could have been "had for the asking". See *Overland Co.* v. *Packard Co.*, 274 U.S. 417, 426–427.

And see in this context *U.S. Gypsum Co.* v. *National Gypsum Co.*, 352 U.S. 457, 465, and the authorities there cited, as to the application of the "unclean hands" doctrine to patent misuse.

similar action would at least preclude the granting of equitable relief.

3. Quite apart from the implications of his work for the Commission and the balance of interests, petitioner is also barred from obtaining equitable relief by the existence of an adequate remedy at law in a claim for pecuniary damages for the publication of his invention (if such it is). Concentrating upon his case for an injunction, petitioner now paradoxically asserts that, despite the wrong done him, respondents have no authority whatsoever to make compensation (Pet. Br. 4, 8, 10). Actually, however, compensation, if owing, is available on any of three grounds.

First, compensation may be sought by way of an action for breach of contract. If petitioner is correct in his contentions, the Commission has broken its promise not to publish, and has exceeded its permitted operations under agreements with him. Petitioner thereby would state a cause of action for a breach of contract by the Commission, entitling him to recover damages. *De Forest Radio Tel. & Tel. Co.* v. *United States,* 273 U.S. 236, 241–242; *Aktiebolaget Bofors* v. *United States,* 194 F. 2d. 145, 148–149 (C.A.D.C.); *Consolidated Middlings Purifier Co.* v. *Wolf,* 28 Fed. 814, 815 (E.D. Pa.). As *Bofors* illustrates, the normal relief contemplated against the United States is a suit under the Tucker Act, 28 U.S.C. 1491, 1346(a)(2).

The second ground upon which compensation may be sought is in an action upon a contract implied in fact. Government use of petitioner's improvement in the Commission's plants, with his consent, gave rise at the least to an implied contract actionable under

the Tucker Act. *United States* v. *Societe Anonyme des Anciens Etablissements,* 224 U.S. 309, 320; *United States* v. *Palmer,* 128 U.S. 262. Even upon petitioner's allegation that he had not authorized publication, the Commission's further utilization of the improvement by dissemination of data descriptive of such improvement in its international programs could be found impliedly qualified by a promise to pay. *United States* v. *Palmer,* 128 U.S. at 269. 2 Walker, *Patents* (Deller's ed.) Sec. 392.[34]

The third ground on which an action at law could be maintained would be on the theory referred to by the court below—*i.e.,* a governmental taking of property. 28 U.S.C. 1491 (App. A, *infra,* p. 60) confers upon the Court of Claims general jurisdiction to adjudicate claims based upon a taking of property by the

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[34] While there is no explicitly applicable provision of the Atomic Energy Act guaranteeing compensation for such use, the Commission has general authority to enter into all sorts of contractual arrangements to acquire and make use of inventions, and to pay for them (*supra*, p. 21). The policy of fair compensation for property interests acquired in the exercise of statutory powers is reflected in numerous provisions. See Section 43, 42 U.S.C. (Supp. V) 2063; Section 52, 42 U.S.C. (Supp. V) 2072; Section 66, 42 U.S.C. (Supp. V) 2096; Section 108, 42 U.S.C. (Supp. V) 2138; Section 151 (a), (b), 42 U.S.C. (Supp. V) 2181 (a) (b); Section 157, 42 U.S.C. (Supp. V) 2187; Sections 171–173, 42 U.S.C. (Supp. V) 2221–2223.

Once a patent is obtained, an inventor can sue for infringement, under 28 U.S.C. 1498. The intent fully to protect inventors is also shown by Section 3 of the Invention Secrecy Act of 1951, 35 U.S.C. 183, which provides compensation "for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure". However, as petitioner says (Pet. Br. 38, n. 8), since the issuance of petitioner's patent was not delayed by the secrecy order, he is not within the express terms of 35 U.S.C. 183. See n. 6, *supra.*

United States. *United States* v. *Dow,* 357 U.S. 17, 21; *United States* v. *Causby,* 328 U.S. 256, 267; *Yearsley* v. *Ross Construction Co.,* 309 U.S. 18, 21. The Fifth Amendment does not require petitioner to be paid in advance of the taking, and the availability of an action under 28 U.S.C. 1491 meets the constitutional requirements of a reasonably just and prompt remedy. *Larson* v. *Domestic & Foreign Corp.,* 337 U.S. 682, 697, n. 18. *Yearsley* v. *Ross Construction Co., supra; Hurley* v. *Kincaid,* 285 U.S. 95, 104; cf. *Cities Service Co.* v. *McGrath,* 342 U.S. 330, 334–336.

Taking this right of action along with petitioner's contract claims, it is clear that he will be able to obtain compensation to the extent that he in fact has a patentable improvement which has been used by the Commission. The availability of such compensation disposes of petitioner's assertion that he was unconstitutionally deprived of property and, in addition, under general equitable principles, precludes any right to injunctive relief.[35] *Larson* v. *Domestic & Foreign Corp., supra; Crozier* v. *Krupp,* 224 U.S. 290, 306–307. Especially in view of the vital policies involved here, "The Government, as representative of the community as a whole, cannot be stopped in its tracks by any plaintiff who presents a disputed question of property or contract right." *Larson* v. *Domestic and Foreign Commerce Corp.,* 337 U.S. at 704. Petitioner should be held to his adequate remedy at law.

[35] Since the time of the Twelve Tables, it has been recognized that one may not tear down a house in order to replevy a beam, and that the owner of the latter may obtain only monetary compensation. Poste, *Gaius* (Oxford, 1871), p. 171.

CONCLUSION

For the reasons stated, we submit that petitioner is plainly not entitled to the equitable relief prayed for. The judgment below should be affirmed and the complaint dismissed.

Respectfully submitted.

J. LEE RANKIN,
Solicitor General.
GEORGE COCHRAN DOUB,
Assistant Attorney General.
LEONARD B. SAND,
Assistant to the Solicitor General.
SAMUEL D. SLADE,
LIONEL KESTENBAUM,
Attorneys.

LOREN K. OLSON,
General Counsel,
EDWARD DIAMOND,
Associate General Counsel,
ROLAND A. ANDERSON,
Chief, Patent Branch,
Office of the General Counsel,
Atomic Energy Commission.

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APPENDIX A

Convention and Statutes Involved

1. Article 4 of the Convention for the Protection of Industrial Property as Revised at London, June 2, 1934, 53 Stat. 1768, 1772:

> A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries a right of priority during the periods hereinafter stated.
>
> (2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.
>
> B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.
>
> C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility

models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

* * * * *

2. The Atomic Energy Act of 1954, 68 Stat. 919, as amended, 42 U.S.C. (Supp. V) 2011, *et seq.*, provides in part:

Section 3, 42 U.S.C. (Supp. V) 2013:

PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

c. a program for Government control of the possession, use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security and the national welfare;

d. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

e. a program of international cooperation to promote the common defense and security and

to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

Section 11(w), 42 U.S.C. (Supp. V) 2014w:

The term "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142.

Section 141, 42 U.S.C. (Supp. V) 2161:

It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(a) Until effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established by an international arrangement, there shall be no exchange of Restricted Data with other nations except as authorized by section 144; and

(b) The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and

industrial progress and public understanding and to enlarge the fund of technical information.

Section 142, 42 U.S.C. (Supp. V) 2162:

(a) The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

(b) The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security.

* * * * *

Section 144, 42 U.S.C. (Supp. V) 2164:

INTERNATIONAL COOPERATION.—

a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation Restricted Data on—

(1) refining, purification, and subsequent treatment of source material;

(2) reactor development;

(3) production of special nuclear material;

(4) health and safety;

(5) industrial and other applications of atomic energy for peaceful purposes; and

(6) research and development relating to the foregoing: *Provided, however,* That no such cooperation shall involve the communication of Restricted Data relating to the design or fabrication of atomic weapons: *And provided fur-*

ther, That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123, or is undertaken pursuant to an agreement existing on the effective date of this Act.

* * * * *

Section 151, 42 U.S.C. (Supp. V) 2181:

* * * * *

(c) Any person who has made or hereafter makes any invention or discovery useful (1) in the production or utilization of special nuclear material or atomic energy; (2) in the utilization of special nuclear material in an atomic weapon; or (3) in the utilization of atomic energy in an atomic weapon, shall file with the Commission a report containing a complete description thereof unless such invention or discovery is described in an application for a patent filed with the Commissioner of Patents by such person within the time required for the filing of such report. The report covering any such invention or discovery shall be filed on or before whichever of the following is the later: either the ninetieth day after completion of such invention or discovery; or the ninetieth day after such person first discovers or first has reason to believe that such invention or discovery is useful in such production or utilization.

(d) The Commissioner of Patents shall notify the Commission of all applications for patents heretofore or hereafter filed which, in his opinion, disclose inventions or discoveries required to be reported under subsection 151 c., and shall provide the Commission access to all such applications.

Section 157(b)(3), 42 U.S.C. (Supp. V) 2187(b)(3):

Any person making any invention or discovery useful in the production or utilization

of special nuclear material or atomic energy, who is not entitled to compensation or a royalty therefor under this Act and who has complied with the provisions of section 151 c. hereof may make application to the Commission for, and the Commission may grant, an award. The Commission may also, upon the recommendation of the General Advisory Committee, and with the approval of the President, grant an award for any especially meritorious contribution to the development, use, or control of atomic energy.

Section 161, 42 U.S.C. (Supp. V) 2201:

GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

* * * * *

d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. * * *

e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, * * *

* * * * *

g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

* * * * *

m. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear

material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this Act, as may be necessary for the conduct of the licensed activity: * * *

* * * * *

Section 171, 42 U.S.C. (Supp. V) 2221:

JUST COMPENSATION.—The United States shall make just compensation for any property or interests therein taken or requisitioned pursuant to sections 43, 52 (with respect to the material, for which the United States is required to pay just compensation), 66, and 108. Except in case of real property or any interest therein, the Commission shall determine and pay such just compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in the manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to said 75 per centum will constitute just compensation.

Section 173, 42 U.S.C. (Supp. V) 2223:

PATENT APPLICATION DISCLOSURES.—In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined

is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to such 75 per centum will constitute just compensation.

3. Title 35 of the United States Code (Patents) provides in part:

> SECTION 181. *Secrecy of certain inventions and withholding of patent.*
>
> * * * * *
>
> Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commissioner, be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission, the Secretary of Defense, and the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States.
>
> * * * If, in the opinion of the Atomic Energy Commission, the Secretary of a Defense Department, or the chief officer of another department or agency so designated, the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, the Secretary of a Defense Department, or such other chief officer shall notify the Commissioner and the Commissioner shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify

the applicant thereof. Upon proper showing by the head of the department or agency who caused the secrecy order to be issued that the examination of the application might jeopardize the national interest, the Commissioner shall thereupon maintain the application in a sealed condition and notify the applicant thereof. The owner of an application which has been placed under a secrecy order shall have a right to appeal from the order to the Secretary of Commerce under rules prescribed by him.

* * * The Commissioner may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security.

SECTION 183. *Right to compensation*

An applicant, his successors, assigns, or legal representatives, whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance, or February 1, 1952, whichever is later, and ending six years after a patent is issued thereon, to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure. The right to compensation for use shall begin on the date of the first use of the invention by the Government.

4. The Tucker Act provides in pertinent part, 28 U.S.C. Section 1491:

The Court of Claims shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Con-

stitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort.

* * * * *

APPENDIX B

EXCERPTS FROM THE RECORD

Order of the Court of Appeals, filed April 26, 1957

This case came on for hearing on appellant's motion for preliminary injunction and said motion was argued by counsel, and the Court being assured by counsel for appellees in respect to contemplated activities on their part and the part of their subordinate officials, it is

ORDERED by the Court that the motion for a stay be, and it is hereby, denied, except, however, that appellees be, and they are hereby, directed to refrain during the pendency of this appeal from the promulgation of further disclosures concerning the improved processes involved in petitioner's pending patent application, as described in his complaint, and that appellees will cause subordinate officials under their immediate control to abide the foregoing restriction.

It is FURTHER ORDERED by the Court that this case be set for argument May 28, 1957.

Per Curiam.

Dated: April 26, 1957.

Order of the Court of Appeals, filed October 15, 1957

Upon consideration of appellant's motion to stay the transmission of the opinion and certified copy of the judgment and to extend the stay order entered herein May 28, 1957, and of appellees' motion to extend the time to file their opposition to appellant's motion for leave to amend the complaint and to have the opinion of this Court vacated, it is

ORDERED by the Court that the order of this Court entered in this case April 26, 1957, directing appellees to refrain from the promulgation of further disclosures concerning the improved process involved in the pending patent application be, and it is hereby, continued in effect until further order of this Court.

It is FURTHER ORDERED by the Court that appellees be, and they are hereby, allowed to and including October 18, 1957 to file their oppositions to appellant's motion for leave to amend the complaint and to have the opinion of this Court vacated.

Per Curiam.

Dated: October 15, 1957.

Order of the Court of Appeals, filed October 25, 1957

Upon consideration of appellant's petition for rehearing, it is

ORDERED by the Court that the aforesaid petition be, and it is hereby, denied.

It is FURTHER ORDERED by the Court that the order of this Court entered herein April 26, 1957, directing appellees to refrain from the promulgation of further disclosures concerning improved processes involved in petitioner's pending patent application be, and it is hereby, vacated, and that the order of October 15, 1957, continuing in effect the aforesaid order of April 26, 1957, be, and it is hereby, vacated.

Per Curiam.

Dated: October 25, 1957.

Order of the Court of Appeals, filed October 28, 1957

Upon consideration of appellant's motion to continue in effect a stay order pending application for stay to the Supreme Court of the United States, it is

ORDERED by the Court that the order of this Court entered herein April 26, 1957, be, and it is hereby, reinstated and that the effectiveness of said order be, and it is hereby, continued in effect until 4:00 P.M., Wednesday, October 30, 1957, at which time said order will become invalid.

Per Curiam.

Dated: October 28, 1957

Circuit Judge Burger did not participate in the foregoing order.

Order of Chief Justice Warren, dated November 4, 1957

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the filing of the petition for certiorari on or before December 4, 1957. Should such petition be filed on or before that date, this stay is to continue pending action on said petition. In the event petition for certiorari is granted,

the stay is to continue pending issuance of the judgment of this Court.

[s] EARL WARREN,
Chief Justice of the United States.

Dated this 4th day of November, 1957.

Order of the Supreme Court granting certiorari and remanding with instructions, in No. 641, October Term, 1957, dated March 3, 1958

Per curiam: The petition for certiorari is granted. The judgment of the Court of Appeals, and the orders of the Court of Appeals denying petitioner's motion for leave to amend the complaint and petition for rehearing, are vacated. The case is remanded to the Court of Appeals with instructions (1) to allow petitioner's proposed amendments to the complaint and (2) to determine, in light of the amended complaint, the issues raised by petitioner's appeal.

Order of Chief Justice Warren, dated March 31, 1958

Upon consideration of the motion of counsel for the petitioner,

IT IS ORDERED that the stay order of November 4, 1957, be, and the stay order is hereby, continued to permit the United States Court of Appeals for the District of Columbia Circuit to consider and pass upon a motion seeking similar relief presented to that court on March 21, 1958.

IT IS FURTHER ORDERED that the Clerk of this Court return to the Clerk of the United States Court of Appeals for the District of Columbia Circuit the record impounded by order of December 5, 1957.

/s/ EARL WARREN,
Chief Justice of the United States.

Dated this 31st day of March, 1958.

Order to show cause of the Court of Appeals, filed June 10, 1958

It is ORDERED by the court that appellant be, and he is hereby, allowed to show cause on or before June 11, 1958, why the motion for a preliminary injunction filed herein March 21, 1958, should not be denied in view of the opinion and judgment of this court entered June 9, 1958. Any answer to this order filed by appellant shall be personally served upon counsel for appellees. Appellees will be allowed to and including June 13, 1958, to file their reply to any answer appellant may file to this order.

Per Curiam.

Dated: June 10, 1958.

Order of the Court of Appeals, filed June 24, 1958

Upon consideration of appellant's motion filed March 21, 1958, for a preliminary injunction, to impound the record and for prompt hearing, of appellees' opposition, of appellant's reply, of the order of this court entered June 10, 1958, directing appellant to show cause why the motion for preliminary injunction should not be denied, of appellant's answer wherein appellant suggests that the court should vacate its opinion and judgment of June 9, 1958, and of appellees' opposition to said answer, it is

ORDERED by the court that appellant's motion for a preliminary injunction and for an order directing the Clerk to impound the record in this case, be, and it is hereby, denied. Appellant having indicated that he intends to apply to the Supreme Court of the United States for a writ of certiorari, it is FURTHER ORDERED by the court that appellees, their officers,

agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office, be, and they are hereby, enjoined from further promulgation or disclosures or from the communication or dissemination of prior disclosures concerning the process involved in appellant's patent application described in his complaint, to and including July 31, 1958, in order to enable appellant to apply to the Supreme Court of the United States for a writ of certiorari and a further stay in that court; and that the Clerk be, and he is hereby, directed to continue the impounding of the record in this case to and including July 31, 1958.

It is FURTHER ORDERED by the court that appellant's suggestion that this court vacate its opinion and judgment of June 9, 1958, be, and it is hereby, denied.

Per Curiam.

Dated: June 24, 1958.

Order of Chief Justice Warren, dated July 3, 1958

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the timely filing of a petition for certiorari. Should such petition be timely filed, this stay is to continue pending action on said petition. In the event petition for certiorari is granted, the stay is to continue pending issuance of the judgment of this Court.

/s/ EARL WARREN,
Chief Justice of the United States.

Dated this 3d day of July, 1958.

Order of the Supreme Court granting certiorari, dated October 27, 1958

The motion for discovery in this case is denied. The motion for leave to use record in No. 641, October Term, 1957, and the motion to impound the record are granted. The petition for writ of certiorari in this case is also granted.